

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL MEMORANDUM**

SB 332 – HB 568

April 14, 2015

SUMMARY OF ORIGINAL BILL: Defines a non-profit corporation which exists solely to manage, maintain, and support government-owned property on behalf of a government entity as a government entity for the purpose of tort liability.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

SUMMARY OF AMENDMENT (005797): Deletes and rewrites the bill in its entirety. Declares that the definition of “governmental entity” extends to nonprofit benefit corporations or charitable entities appointed by statute, ordinance, resolution, contract, or other governmental directive to develop, manage, and maintain property or provide services and activities at government owned park property and facilities located on park property.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

On April 7, 2015, a fiscal memorandum was issued estimating the fiscal impact as follows:

*Increase Local Expenditures – Exceeds \$100,000**

It has since been determined that a cost was inadvertently and improperly attributed to the provisions in the amendment based on data not directly applicable to those provisions. Consequently, the corrected fiscal impact is:

(CORRECTED)

NOT SIGNIFICANT

Corrected assumptions for the bill as amended:

- Information provided by the TML Risk Pool presumed that the bill and amendment expands governmental risk protections to activities that would not otherwise be governmental functions. Thus, elevating the governmental entity’s exposure to worker’s compensation claims and other liability risks beyond normal levels.
- Instead, the bill, as amended, is extending governmental risk protections to nonprofit and/or charitable entities contracted to perform governmental functions, as an alternative to performing those functions with government employees.

SB 332 – HB 568 (CORRECTED)

- To the extent such partnerships between government entities and nonprofit and/or charitable entities focuses on the execution of core governmental functions, extending the governmental risk protections to those partners does not expand the government entity's risk exposure any more than if they were to perform those functions with government employees.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, appearing to read "Jeffrey L. Spalding". The signature is fluid and cursive, with the first name "Jeffrey" and last name "Spalding" clearly distinguishable.

Jeffrey L. Spalding, Executive Director

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